



OFFICE OF
INSURANCE COMMISSIONER

In the Matter of

No. D06-260

PENN TREATY NETWORK
AMERICA INSURANCE COMPANY,

REVISED
CONSENT ORDER
IMPOSING A FINE

An Authorized Insurer

Findings of Fact:

1. Penn Treaty Network America Insurance Company ("PTNAIC") is authorized to conduct insurance business in Washington State. It issues life and disability insurance.
2. PTNAIC completed filing its calendar year 2004 Audited Financial Statements with the Office of the Insurance Commissioner ("OIC") on December 19, 2005.
3. PTNAIC filed a paper copy of its calendar year 2005 Statement of Actuarial Opinion with the OIC on April 14, 2006. PTNAIC electronically filed its calendar year 2005 Statement of Actuarial Opinion with the OIC on May 30, 2006.
4. PTNAIC filed its calendar year 2005 Audited Financial Statements with the OIC on September 5, 2006.

Conclusions of Law:

1. PTNAIC's failure to timely file its calendar year 2004 Audited Financial Statements constitutes a violation of RCW 48.05.250.
2. PTNAIC's failure to timely file its calendar year 2005 Statement of Actuarial Opinion and calendar year 2005 Audited Financial Statements constitute two violations of RCW 48.05.250.
3. RCW 48.05.185 authorizes the Commissioner to impose a fine in lieu of or in addition to the suspension or revocation of an insurer's certificate of authority.

Consent to Order:

PTNAIC consents to the following, in order to resolve this matter without further legal or administrative proceedings. The Insurance Commissioner consents to resolve this matter in consideration of the insurer's payment of a fine as set forth below.

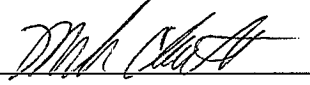
1. PTNAIC consents to the entry of the foregoing Findings of Fact and Conclusions of Law, and acknowledges its duty to comply fully with all applicable laws and regulations of the State of Washington. It waives further administrative or legal challenge to the actions taken, or to be taken, by the Insurance Commissioner, related to the subject matter of this Order.

2. Within thirty days of the entry of this Order, PTNAIC will pay to the Insurance Commissioner a fine in the amount of \$2,750 (two thousand seven hundred fifty dollars).

3. Failure to pay the fine in full within thirty days of the entry of this order will constitute grounds for revocation of the certificate of authority held by PTNAIC in Washington State. It will also result in a civil action being brought by the Attorney General on behalf of the Insurance Commissioner, to recover the fine.

Executed this 11th day of October, 2006.

PENN TREATY NETWORK AMERICA INSURANCE COMPANY

By: 

Printed Name: Mark Cloutier

Printed Corporate Title: Senior Vice President and CFO

Pursuant to the foregoing Findings of Fact, Conclusions of Law, and Consent to Order, the Insurance Commissioner orders as follows:

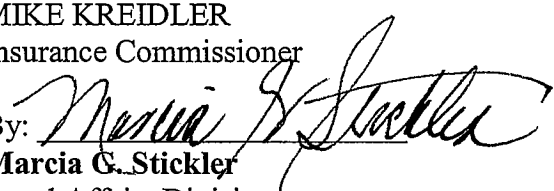
Order:

1. Penn Treaty Network America Insurance Company is ordered to pay, within thirty days of the entry of this order, a fine in the amount of \$2,750 (two thousand seven hundred fifty dollars).

2. Failure to pay the fine timely and in full will constitute grounds for revocation of the certificate of authority held by the insurer in Washington State. It will also result in a civil action being brought by the Attorney General on behalf of the Insurance Commissioner, to recover the fine.

Executed this 19th day of October, 2006

MIKE KREIDLER
Insurance Commissioner

By: 
Marcia G. Stickler
Legal Affairs Division